

# Research Your Market

Know and understand market segmentation  
and target marketing elements

# Target Market

# Profiling Your Customers

- Market – A group of people or companies that have a demand for a product or service and are willing and able to buy it.
- Target Market – The particular group that you are interested in reaching.
  - You simply identify who your primary customer will be for your store.
    - The market segment should be measurable
    - The segment should be large enough to be profitable
    - The segment should be reachable.

## ■ Finding your customers involves three steps:

- 1. Identify Why a Customer Would Want to Buy Your Product or Service
- 2. Segment Your Overall Market
  - Market segmentation – involves using specific characteristics to analyze your market by breaking down a larger target market into smaller segments. The market is broken down by:
    - Demographics – Personal characteristics such as age, gender, location, education, occupation, income level, marital status, and household type
    - Psychographics – The social and psychological characteristics of your customers which include needs, values, buying styles, culture, and interests
    - Geographics – Market segmentation based on where people live based on local, regional, national, or global markets
    - Buying Characteristics – Segmentation based on the customers' knowledge of products and services and the customers' personal experiences and reactions to the products and services
- 3. Research Your Customer

# Analyzing the Competition

- Competition Research – Studying the competition can provide you a wealth of information about your customer, the market, and the profit potential.
  - This research might give the business owner knowledge of how a market might be better served.

# Market Research

# Marketing Information System

- Market Research – A process designed to identify solutions to a specific marketing problem by systematically gathering and analyzing data.
  - Research should be conducted to minimize risk and enhance chances of success
  - Research does not require any special skills, only the ability to ask questions, record data, and take time to understand what it means
  - A great deal can be learned about customer buying habits by watching and talking to current customers

# Data Collection

- Two types of data that can be collected
  - Primary data – Information collected for the first time to analyze a specific situation.
    - Subjective data – cannot be statistically analyzed.  
Example: group interview which provides instant feedback.
    - Measurable data – more reliable because statistical analysis can be conducted.  
Example: asking individual customers what their preference might be.
  - Primary Research Methods
    - Surveys – personal, telephone, and mail interviews
    - Observation – watch and record actions of people
    - Experimental Method – observe the results of changing one or more marketing variables while keeping other variables constant

- Secondary Data – Information that already has been collected for purposes other than your current research.
  - This data is quicker, easier, and less expensive to collect.
  - You should check secondary data first.
  
- Secondary Research Methods – sources can include:
  - Sales and marketing magazines
  - The U.S. Department of Commerce
  - Trade Associations
  - Business Publications
  - Other sources such as local chambers of commerce or local colleges and university sources
  - Internet Sources

# The Research Process

- Six steps of the research process
  - 1. Identify a need or define the store's problem
  - 2. Obtain primary and secondary data
  - 3. Organize your data
  - 4. Analyze your data
  - 5. Recommend solutions
  - 6. Implement a plan of action